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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA Liquidation

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

**STATEMENT OF THE SECURITIES INVESTOR PROTECTION CORPORATION
IN SUPPORT OF TRUSTEE'S MOTION FOR AUTHORIZATION
TO DEPOSE ANNETTE BONGIORNO AND JOANN CRUPI
REGARDING THE PROFIT WITHDRAWAL ISSUE**

The Securities Investor Protection Corporation (“SIPC”)¹ submits this statement in support of the motion (“Motion”) by Irving H. Picard, as trustee (the “Trustee”) for the substantively consolidated liquidation of the business of Bernard L. Madoff Investment Services, LLC (“BLMIS”), under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-III (“SIPA”)², and the estate of Bernard L. Madoff (“Madoff”), for authorization to depose Annette Bongiorno (“Bongiorno”) and Joann Crupi (“Crupi”) regarding the profit withdrawal issue.

STATEMENT

1. On June 25, 2015, this Court entered an Order Establishing Schedule for Limited Discovery and Briefing on Profit Withdrawal Issue, *SIPC v. Bernard L. Madoff Investment Securities, LLC*, No. 08-01789 (SMB) (Bankr. S.D.N.Y. June 25, 2015), ECF. No. 10266 (“Profit Withdrawal Scheduling Order”).

2. On July 14, 2015, the Trustee submitted his Memorandum of Law in Support of Trustee’s Motion Affirming Treatment of Profit Withdrawal Transaction. ECF Nos. 10660 – 10664.

3. That same date, SIPC submitted its Memorandum of the Securities Investor Protection Corporation in Support of the Trustee’s Motion to Affirm His Treatment of Profit Withdrawals. ECF No. 10650.

4. At a hearing on February 24, 2016, on a motion brought by Aaron Blecker, (ECF No. 12319), this Court raised an important question: “Has anyone taken the deposition of a

¹ SIPC is a party in interest as to all matters arising in a liquidation proceeding under the Securities Investor Protection Act, “with the right to be heard on all such matters.” 15 U.S.C. § 78eee(d).

² References hereinafter to provisions of SIPA shall be to the United States Code, and for convenience, shall omit “15 U.S.C.”

person who worked the Madoff Securities and might know what these profit withdrawals mean?”
Hearing Tr. 13:5-8 (February 26, 2016).

5. On March 14, 2016, the Trustee submitted a Motion for Order Amending Schedule of Litigation of Profit Withdrawal Issue, ECF No. 12865. The Trustee specifically identified Bongiorno and Crupi in the Motion as former employees likely to have highly relevant knowledge on the profit withdrawal topic.

6. On April 5, 2016, the Court entered an Order amending the Profit Withdrawal Scheduling Order, and granting a 90-day extension to the close of discovery until June 13, 2016. *See* Order Amending Schedule of Litigation of Profit Withdrawal Issue, ECF No. 13038.

7. SIPC understands the importance of the Trustee’s request to take the depositions of Bongiorno and Crupi to provide answers to the question posed by the Court at the February 24, 2016 hearing. SIPC also appreciates the need for expedited scheduling of these depositions in light of the impending discovery deadline of June 13, 2016 and the lengthy process involved in arranging for the deposition of prison inmates. Bongiorno and Crupi are inmates in different federal facilities.

8. SIPC supports the Trustee’s Motion and requests the Court to enter an Order authorizing the depositions of Bongiorno and Crupi on an expedited basis.

CONCLUSION

For all the aforementioned reasons and for those stated in the Trustee's Motion, the Motion should be granted.

Dated: May 4, 2016
Washington, D.C.

Respectfully submitted,

/s/Kevin H. Bell
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